



24 May 2007

Mr Damian Drum MLC
Chair
Rural and Regional Committee
Parliament House
Spring Street
MELBOURNE VIC 3002

Dear Damian

Re: Parliamentary Inquiry into Rural and Regional Tourism

Thank you for providing the opportunity of allowing the Committee for Geelong to put forward a submission to this inquiry.

The Committee for Geelong represents 120 CEO's, company directors, community leaders and business organisations within the Geelong region. It has the broad role of acting as a catalyst to improve the quality of life for the citizens of our region.

In response to your call for submissions the Committee for Geelong interviewed its regional tourism association Geelong Otway Tourism (GOT). GOT is a member of the Committee for Geelong and we sought their advice on some key issues.

The Committee for Geelong sees this issue as one of broadly trying to attract private investment into the tourism sector. You will note therefore that our response to each of your propositions has been directed that way.

The Committee for Geelong offers the following in relation to each of the points raised in your call for submissions:

P1 The economic benefits of tourism in regional areas, including tracking the flow-on benefits through other regional businesses and industry.

A Total expenditure made by tourists in the Geelong Otway Region in the year ending September 2006 is estimated at \$878 million of which \$424 million is made in the City of Greater Geelong. This equates to \$3,300 direct visitor expenditure per resident compared to \$2,600 throughout Victoria and \$3,100 throughout Australia indicating the greater significance of tourism to the region and City.

The level of visitor expenditure is the equivalent of the average household expenditure of around 18,738 Victorian households or 20% of the occupied private dwellings in the region. Direct tourism expenditure is estimated to directly support 4,863 jobs of which 3,454 are in Geelong.

Conclusion:

Tourism is a major driver of the local and regional economy.

P2 Potential impediments to the sustained growth of regional tourism, economic activity and jobs.

A *Planning schemes do not support the private sector to establish iconic tourism related infrastructure. Too difficult to encourage private sector investment into regional Victoria. Tourism still considered by Government (all levels) as a ‘cottage industry’ without the understanding (policy) or resources (finances) to capitalise on this significant sector.*

P3 Effectiveness, at a National, State and local level, of current programs to promote and enhance tourism in regional Victoria.

A *Current programs too focussed on broad development rather than business (tactical) at the local level. Focus must be on sustainable yield (\$ and length of stay) which in turn relates to infrastructure and private investment.*

P4 Initiatives to increase both international and domestic visitor nights in regional Victoria.

A *Better support and utilisation of digital and online programs that drive business to industry. Online programs must be capable of delivering bookings and as such must be supported by an integrated State/National wide booking platform. Again a stronger allocation of resources too tactical not brand.*

P5 Efficacy of existing mechanisms at a National, State and local level to address the impact on regional tourism of natural events such as bushfires, floods and drought, and effective measures to drive long term economic recovery.

A *Tourism is about competitive advantage and capitalising on this advantage through economic activity. Tourism is not about equity and social justice. Far too often resources are taken away from sound economic decisions i.e. support strength to focus on market failure and/or natural disasters. All funding to address impacts of flood, drought and bushfires must be additional to core budgets.*

P6 Opportunities to leverage private investment and commercial activity in regional tourism infrastructure, including ecotourism.

A *This is where the Committee for Geelong believes that the Government can make an absolute difference in terms of improving the quality of tourism and the tourism experience within our state.*

This country has never been wealthier and there are significant amounts of funds held in equity companies and superannuation etc. It is now time to capitalise on that pool of funding and invite private investment into the tourism market as a fair dinkum partner for the future. Major tourism infrastructure should no longer be seen as the domain of government but more as an investment in Victoria's future.

A number of iconic projects could be scoped out by the Government and put out on the investment market for delivery. Naturally this will only occur if there is some profit margin in the operations. Traditionally this is where the story ends as Government struggles to understand the dynamics of the private market.

Perhaps what is required is a special task force to attract private funding into the tourism market - run by people who understand the importance of profit return and long term income streams.

Here in Geelong we have some major projects on the agenda including a convention centre, the recreation of the Yarra Street pier and the mineral springs project. All of these projects will be going nowhere if we sit around and wait for Government funding injections. However if the Government, the Council and local tourism bodies were to put a prospectus to the market that provided private industry with an opportunity to build these iconic structures, and offered them a serious return in terms of their investment, then these projects can be achieved. In a lot of cases this will mean letting go of Government land and/or providing long term leases. The key here is being brave and serious about courting the private investment dollar.

The Committee for Geelong is adamant that major infrastructure projects such as water, roads and tourism need to be put in the private investment basket in the 21st century. Traditional forms of Government funding will not survive in this century.

Thank you for the opportunity of allowing the Committee for Geelong to put forward this submission.

The Committee for Geelong is happy to speak to its submission at any forum and looks forward to your response.

Yours faithfully



Peter Dorling
Executive Director